

Gamuda Berhad

Moving into Digital Infrastructure

Q1'25 INVESTORS' BRIEFING

12 December 2024

KEY HIGHLIGHTS



- **Digital Infrastructure a new core business** – strategically positioned as a third core business, the Group plans to leverage on its strong digital capabilities to assist the government in its digital transformation journey; with our deep expertise in cloud and AI technologies, coupled with our established partnership with Google, we are uniquely positioned to accelerate digital adoption across the public sector
- **Gamuda-DNeX JV to drive digitalization efforts** – this 50:50 JV will deliver secure, sovereign cloud solutions for Malaysia’s public sector; as the exclusive provider of Google Distributed Cloud (GDC) air-gapped services, this product will offer governments, financial service institutions and security-sensitive organisations access to Google’s technology on physical hardware, including Google’s latest on-premise AI capabilities and the ability to support secure data and AI workloads
- **Cloud Space acquisition will open up digital opportunities** – agreement to subscribe to and eventually acquire 20% of Cloud Space for up to RM18m cash consideration; Cloud Space is a Google Cloud Premier Partner which provides solutions and services (using Google’s range of products) to governments (both Federal and States) and the private sectors in Malaysia; it is recognized as Google Cloud Partner All-star in Marketing and Solutions Engineering in 2024
- **Modest Q1** – topline continues to grow strongly (+47%) whilst bottomline grew modestly (+5%); margin recovery delayed due to delayed domestic awards, outstanding VOs, and earnings void left by Celadon City but will still improve in coming months as domestic-overseas project mix increases
- **Underlying trends positive** – groupwide, construction revenues grew 38% whilst net profit grew 20%, with domestic revenue and earnings growth both outpacing overseas growth, marking a turnaround in domestic activities; domestic share of construction revenues has increased to 27% from 16% previously; for properties, both overseas and domestic divisions grew revenues, but overseas profitability fell 54% following the absence of Celadon City’s earnings this year; domestic earnings grew significantly to now match overseas earnings
- **Order book at RM30b with a few weeks left in CY24** – previously guided RM30-35b by end CY24 and RM40-45b by end CY25; guidance remains intact and optimistic for some further upside

INCOME STATEMENT



(RMmil)	Q1 ended 31 Oct '24	Q1 ended 31 Oct '23	Change (%)
Total revenue	4,190.4	2,846.0	+47
Profit from operations (EBIT)	306.8	243.2	+26
Finance Costs	(60.6)	(37.5)	+62
Share of JVs (net of tax)	11.5	32.1	-64
Share of associates (net of tax)	1.4	2.0	-27
Profit before tax	259.1	239.7	+8
Tax	(39.0)	(37.9)	+3
Non-controlling interests	(14.7)	(6.8)	+116
Net profit attributable to equity holders	205.4	195.0	+5
Fully diluted EPS (sen)	7.06	7.06	
Dividend per share (sen)	10.0	6.0	
EBIT margins (%)	7.3	8.5	
PBT margins (%)	6.2	8.4	

BALANCE SHEET



(RMmil)	As at 31 Oct '24	As at 31 July '24
Current Assets	17,214.1	16,891.7
Current Liabilities	7,444.6	7,894.8
Current Ratio	2.3x	2.1x
Total borrowings	8,274.6	7,806.5
Cash and marketable securities	3,624.3	3,362.5
Net cash (borrowings)	(4,650.3)	(4,444.0)
Share capital	4,772.0	4,508.2
Reserves	6,912.2	6,856.9
Non-controlling interests	168.9	156.9
Total Equity	11,853.1	11,522.1
Net gearing (overall)	39%	39%
Net assets per share (RM)	4.14	4.10

QUARTERLY SEGMENTAL PROFITS



(RMmil)	Q124	Q224	Q324	Q424	Q125	Q124	%
Construction & Eng	133.0	136.9	139.5	213.6	165.9	133.0	+25
Properties	106.7	102.8	129.4	135.5	93.2	106.7	-13
Group Pretax Profit	239.7	239.6	268.9	349.1	259.1	239.7	+8
Group Net Profit	195.0	208.8	235.8	272.5	205.4	195.0	+5

YTD Segmental PBT

YTD PBT Margins

(RMmil)	Q125	Q124	%	%	Q125	Q124
Construction	165.9	133.0	+25	Construction	5.4	5.9
Properties	93.2	106.7	-13	Properties	8.5	17.6
Group PBT	259.1	239.7	+8	Group PBT	6.2	8.4

SEGMENTAL ANALYSIS

(by segment)



(RMm)		Q1 ended 31 Oct '24		Q1 ended 31 Oct '23		Change (%)	Q125 Margin (%)	Q124 Margin (%)
Construction Revenue	Overseas	73%	2,262.1	84%	1,889.6	+20		
	Malaysia	27%	826.5	16%	350.5	+136		
	Total	100%	3,088.6	100%	2,240.2	+38		
Property Revenue	Overseas	57%	625.5	41%	246.5	+154		
	Malaysia	43%	476.3	59%	359.4	+33		
	Total	100%	1,101.8	100%	605.9	+82		
Group Revenue			4,190.4		2,846.0	+47		
Construction Net Profit	Overseas	51%	72.1	55%	65.3	+10	3.2	3.5
	Malaysia	49%	69.4	45%	52.6	+32	8.4	15.0
	Total	100%	141.5	100%	117.9	+20	4.6	5.3
Property Net Profit	Overseas	51%	32.6	92%	70.7	-54	5.2	28.7
	Malaysia	49%	31.3	8%	6.4	+389	6.6	1.8
	Total	100%	63.9	100%	77.1	-17	5.8	12.7
Group Net Profit			205.4		195.0	+5	4.9	6.9

SEGMENTAL ANALYSIS

(by geography)



(RMm)		Q1 ended 31 Oct '24		Q1 ended 31 Oct '23		Change (%)	Q125 Margin (%)	Q124 Margin (%)
Overseas Revenue	Construction	2,262.1		1,889.6		+20		
	Property	625.5		246.5		+154		
	Total	69%	2,887.6	75%	2,136.1	+35		
Local Revenue	Construction	826.4		350.5		+136		
	Property	476.3		359.4		+33		
	Total	31%	1,302.7	25%	709.9	+84		
Group Revenue		100%	4,190.4	100%	2,846.0	+47		
Overseas Net Profit	Construction	72.1		65.3		+10	3.2	3.5
	Property	32.6		70.7		-54	5.2	28.7
	Total	51%	104.7	70%	136.0	-23	3.6	6.4
Local Net Profit	Construction	69.4		52.6		+32	8.4	15.0
	Property	31.3		6.4		+389	6.6	1.8
	Total	49%	100.7	30%	59.0	+71	7.7	8.3
Group Net Profit		100%	205.4	100%	195.0	+5	4.9	6.9

CASH FLOW SUMMARY



(RM mil)	Q1 ended 31 Oct '24	Q1 ended 31 Oct '23
Net cash (used in)/ generated from operating activities	65.7	166.3
Net cash (used in)/generated from investing activities	1.6	(16.8)
Net cash generated from/(used in) financing activities	384.4	434.5
Net (decrease) increase in cash and cash equivalents	451.7	584.0
Effects of exchange rate changes	(44.8)	17.0
Cash and cash equivalents at beginning of the period	2,597.4	2,830.6
Cash and cash equivalents at end of the period	3,004.3	3,431.6

GROUP BORROWINGS AND DEBT SECURITIES



(RM mil)	As at 31 Oct '24	As at 31 July '24
Long Term Borrowings		
Medium Term Notes	2,950.0	3,150.0
Term Loans	3,944.6	3,414.6
	6,894.6	6,564.6
Short Term Borrowings		
Medium Term Notes	200	0.0
Term Loans	484.1	279.8
Revolving Credits	695.9	962.2
	1,380.0	1,242.0
TOTAL BORROWINGS	8,274.6	7,806.5

KEY UPDATES – Construction



- **Domestic earnings upswing fuels broader growth momentum** - Construction continued its strong performance as Malaysia's impressive recovery boosted earnings, while robust overseas contributions provided a stable foundation for sustained growth.
- **4 new projects wins worth RM6.7b** – Over the last 3 months, Gamuda secured RM6.7b in new projects, including the Ulu Padas Hydroelectric Project (RM2.3b) and Malaysia BCEI Data Centre (RM0.5b) in Malaysia. The Boulder Creek Wind Farm (RM0.7b) in Australia marks our first wind project under DTI. The Xizhi-Donghu MRT project in Taipei (RM3.2b) is our biggest win to date and includes pre-determined provisional works worth up to RM10.8b for future inclusion in the order book.
- **Orderbook on track to exceed RM30b** – Malaysia's project pipeline remains strong, with data center demand expected to remain robust for the next few years. Final decisions for major projects, including the Penang LRT and the Ulu Padas Water Project, are expected soon. In Australia, on top of traditional infrastructure projects, we have been shortlisted for multiple opportunities in the solar and pumped hydro segments.
- **QoQ margin improvement expected** – Construction profit margins are gradually improving, supported by a more profitable project mix. The commencement of several large, high-margin local projects is expected to contribute to steady progress. (net profit margins for Q4FY24: 4.0% vs Q1FY25: 4.6%)
- **Silicon Island progress set to accelerate** – Approximately 70 acres of land have been reclaimed as of Dec 2024. Progress is expected to pick up with the addition of two new dredgers, doubling the current fleet to four and enabling faster execution of the reclamation works.
- **Australia projects on track** – For SMW-WTP, TBMs Betty and Dorothy have completed their first tunneling leg to Sydney Olympic Park station and resumed from Rosehill, heading towards Westmead. The Coffs Harbour Bypass Project and M1 Motorway Extension are progressing well, with all contract milestones on schedule.
- **Kaohsiung MRT (Taiwan) and West Coast Stations and Tunnels (Singapore)** – All design works have progressed smoothly as planned and construction work has commenced.

CONSTRUCTION ORDER BOOK (Malaysia)



- Total group unbilled order book about **RM30.0 billion** (Oct 2024)

Remaining Projects	Bal works (RMb)	Completion Status		Comments
		% now	Award/ Completion year	
<u>MALAYSIA (TOTAL RM10.2b/34%)</u>				
1) Silicon Island - Phase 1	3.8	11	2023/2030	About 70 acres reclaimed to date Works progressing normally at main site In negotiations for several more Mobilising
2) Rasau WTP	1.4	28	2022/2025	
3) Data Center Projects	2.5	4	2024/2026	
4) Upper Padas Hydro Dam	2.2	3	2024/2030	
5) Other civil works	0.3	54	various	
Total Malaysia	10.2			

CONSTRUCTION ORDER BOOK (Australia)



- Total group unbilled order book about **RM30.0 billion** (Oct 2024)

Remaining Projects	Bal works (RMb)	Completion Status		Comments
		% now	Award/ Completion year	
<u>OVERSEAS AUSTRALIA</u>				
<u>(TOTAL RM9.9b/33%)</u>				
<u>Australia</u>				
1) SMW-WTP (100% share)	2.0	75	2022/2026	On schedule
2) Coffs Harbour Bypass (50% share)	1.3	40	2022/2027	On schedule
3) M1 Motorway (40% share)	0.8	38	2023/2028	On schedule
4) DTI projects	5.8	45	various	Shortlisted for several new projects
Total Australia	9.9			

CONSTRUCTION ORDER BOOK (Taiwan)



- Total group unbilled order book about **RM30.0 billion** (Oct 2024)

Remaining Projects	Bal works (Rmb)	Completion Status		Comments
		% now	Award/ Completion year	
<u>OVERSEAS OTHERS</u> <u>(TOTAL RM7.4b/25%)</u>				
<u>Taiwan</u>				
1) Seawall reclamation (70% share)	0.1	83	2020/2025	EOT approved
2) Transmission line (50% share)	0.1	38	2021/2025	Both TBMs have been launched
3) Tao Yuan underground (60% share)	1.2	9	2022/2030	Site clearing, mobilisation works
4) Kaoshiung MRT YC01 (88% share)	2.9	1	2023/2032	Design works ongoing
5) Xizhi Donghu MRT (75% share)	3.1	0	2024/2031	Recently won with provisional future contract value equivalent to RM10.8 billion
Total Taiwan	7.4			

CONSTRUCTION ORDER BOOK (Singapore)



- Total group unbilled order book about **RM30.0 billion** (Oct 2024)

Remaining Projects	Bal works (RMb)	Completion Status		Comments
		% now	Award/ Completion year	
<u>OVERSEAS OTHERS</u>				
<u>(TOTAL RM2.5b/8%)</u>				
<u>Singapore</u>				
1) Bus depot (100% share)	0.2	84	2019/2023	EOT application submitted
2) Defu station, tunnels (60% share)	0.6	34	2022/2030	1 st MRT project
3) West Coast Station (100% share)	1.7	4	2023/2032	2 nd MRT project
Total Singapore	2.5			

KEY UPDATES – Properties



- **Strong property revenue growth and maturing domestic townships** – Property recorded strong revenue growth, driven by overseas quick turnaround projects and steady contributions from maturing domestic townships. However, net profit declined due to the completion of Celadon City in Vietnam and the early stages of newly launched QTPs.
- **Q1 property sales surged** – Property sales grew 39% to RM633 million, driven by strong contributions from both domestic and overseas markets. Domestic sales contributed 54%, growing 23% to RM343 million, led by key projects such as Gamuda Cove, Horizon Hills, twentyfive7, and Gamuda Gardens. Overseas sales contributed 46%, with Vietnam leading the way as sales surged 88% to RM228 million, driven by the success of Eaton Park and The Meadow. More reservations from Malaysia are expected to convert into confirmed sales in the coming quarters.
- **Overseas Margins to Improve with Progress** – Domestic property margins improved, driven by maturing local townships. Overseas margins are lower as new Quick Turnaround Projects (QTPs) are still in the early stages. Margins are expected to improve as these projects progress.
- **Best sellers in Vietnam** – Eaton Park (6 towers), Vietnam, delivered outstanding results, with Phase 1 (2 towers) launched in May and Phase 2 (2 towers) in December, both selling out within a week. The Meadow (212 townhouses and villas), Phase 1 (122 units), achieved 95% sales within two months of its launch, with Phase 2 (77 units) scheduled for Q3. Hai Phong is the newest QTP in Vietnam, more opportunities currently under assessment and expected to conclude soon.
- **Park Homes, The Clove** - The Clove, Malaysia's first Park Homes with GenAI technology, offers homebuyers the ability to customize their living spaces, a feature highly appreciated for its personalized service. Phase 1, launched in 3 of Gamuda Land's flagship Klang Valley townships—Gamuda Cove, Gamuda Gardens, and twentyfive7—has seen remarkable success, with all 300 units across these townships fully taken up, reflecting strong market demand.

KEY UPDATES – Digital Infrastructure



- **Digital Infrastructure a new core business** – Technology needs are becoming more pervasive across our client engagements. The Group plans to leverage on its strong digital capabilities to assist the government in its digital transformation journey; with our deep expertise in cloud and AI technologies, coupled with our established partnership with Google & Autodesk, we are uniquely positioned to accelerate digital adoption across the public sector.
- **Two agreements to kick off** –
 - a 50:50 JV with DNeX to deliver secure, sovereign cloud solutions for Malaysia’s public sector; as the exclusive provider of Google Distributed Cloud (GDC) air-gapped services, this product will offer governments, financial service institutions and security-sensitive organisations access to Google’s cutting edge AI & Cloud technology but managed by a local party. The air-gapped capability is unique in the market & creates moat against competition.
 - An agreement to subscribe to and eventually acquire 20% of Cloud Space for up to RM18m cash consideration; Cloud Space is a Google Cloud Premier Partner which provides solutions and services (using Google’s range of products) mainly to private sector customers; Recognised with Google Cloud Partner All-Star Awards (2024 - Marketing + Solutions Engineering) & (2023 – Solutions Engineering).
- **Rationale for DNeX** – Google appointed DNeX as the first Malaysia partner to operate Google Distributed Cloud (GDC) as a Managed GDC Provider (MGP), with a focus on air-gapped configurations. DNEX has a long-standing IT track record managing various critical government systems such as the National Single Trade Window. This partnership brings together DNEX’s strong track record + networks and Gamuda’s strong expertise & use cases in Google Cloud products and talent building.
- **Rationale for Cloud Space** - Cloud Space brings seasoned Google Cloud expert capabilities. Management consists of pioneer GCP experts in Malaysia ecosystem since 2017. Clients include Big Caring Pharmacy, Giant (GCH Retail) and Versa with other accounts also within related spheres to Gamuda such as utilities. Has served Gamuda as a vendor since 2022 undertaking our most complex projects such as SAP S4/Hana migration to Google Cloud which was a first in the region.
- **Gamuda AI Academy** – Launched with Google Cloud with YB Gobind Singh & MyDigital. Unique collaboration for Google Cloud in the region. Batch of 50pax every 4 months for 1st academy. Consistent talent creation & value add to our clients.

Thank You